Supreme Court, U.S.
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No. 05-

IN THE

Supreme Court of the United States

DECORATIONS FOR GENERATIONS, INC.,

Petitioner,

v.

HOME DEPOT USA, INC., INTERNATIONAL BUSINESS CORPORATION, and MUTUAL ALLIED, LTD.,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Whether, in an action for trade dress infringement of the overall appearance of a decorated Christmas tree stand in combination with its display packaging under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), product and packaging features which are aesthetically appealing but have no bearing on the stand's utilitarian purpose of holding up a tree—such as specific shades of color, a contrasting ornamental ring, and decorative display packaging—are "functional" as that term is used in 15 U.S.C. § 1125(a)(3), such that these features cannot be protected as a matter of law?

2. Whether, in an action for trade dress infringement under Section 43(a) of the Lanham Act, a jury verdict of secondary meaning may be partially supported by proof that the junior user knew of the senior user's established pattern of sales success and customer satisfaction and intentionally copied the senior user's product and packaging features?

3. Whether, in an action for trade dress infringement under Section 43(a) of the Lanham Act, a jury verdict of secondary meaning may be partially supported by proof of actual confusion by retailers about whether a junior user's goods originated from the same source as the senior user's goods?

RULE 29.6 NOTATION AND PARTIES TO THE PROCEEDING

The petitioner has no parent, and there are no publicly held companies that hold any stock of the petitioner.

All parties appear in the caption of the case.

TABLE OF CONTENTS

	Page
QUESTIONS PRESENTED	i
RULE 29.6 NOTATION AND PARTIES TO THE PROCEEDING	ii
TABLE OF CONTENTS	iii
TABLE OF CITED AUTHORITIES	v
TABLE OF APPENDICES	ix
INTRODUCTION	1
OPINIONS BELOW	3
JURISDICTION	3
RELEVANT STATUTORY PROVISIONS	4
STATEMENT	5
A. THE FIRST PIPE STAND	5
B. DEVELOPMENT OF DFG'S COMPOSITE DRESS	5
C. DECORATIONS FOR GENERATIONS' BUSINESS	6
D. THE MARKET FOR ALTERNATE PIPE STANDS	7
E. RESPONDENTS' PIPE STAND	8

Contents

	Page
F. RETAILER SOURCE CONFUSION	10
G. TRIAL AND JURY INSTRUCTIONS	10
H. THE DISTRICT COURT'S DECISION ...	12
I. THE FEDERAL CIRCUIT'S DECISION ..	15
REASONS FOR GRANTING PETITION	16
I. THE CIRCUITS ARE DIVIDED AS TO THE EXISTENCE AND MEANING OF "AESTHETIC FUNCTIONALITY" IN THE TRADE DRESS CONTEXT	17
II. THE CIRCUITS ARE DIVIDED AS TO THE RELEVANCE AND WEIGHT TO BE GIVEN EVIDENCE OF INTENTIONAL COPYING OF A COMPETITOR'S TRADE DRESS IN THE SECONDARY MEANING DETERMINATION	25
III. THIS COURT SHOULD SETTLE THE IMPORTANT QUESTION OF FEDERAL LAW OF THE WEIGHT WHICH MAY BE AFFORDED TO RETAILER SOURCE CONFUSION AS CIRCUMSTANTIAL EVIDENCE OF SECONDARY MEANING	27
CONCLUSION	30

TABLE OF CITED AUTHORITIES

Page

Cases

Abercrombie & Fitch Stores, Inc. v. American Eagle Outfitters, Inc.,
280 F.3d 619 (6th Cir. 2002) 22

American Greetings Corp. v. Dan-Dee Imports, Inc.,
807 F.2d 1136 (3d Cir. 1986) 21

American Scientific Chem., Inc. v. American Hosp. Supp. Corp.,
690 F.2d 791 (9th Cir. 1982) 28, 29

Antioch Co. v. Western Trimming Corp.,
347 F.3d 150 (6th Cir. 2003) 23

Aromatique, Inc. v. Gold Seal, Inc.,
28 F.3d 863 (8th Cir. 1994) 11-12, 23

Brunswick Corp. v. Spinit Reel Co.,
832 F.2d 513 (10th Cir. 1987) 23

Carnival Brand Seafood Co. v. Carnival Brands, Inc.,
187 F.3d 1307 (11th Cir. 1999) 27-28

Champions Golf Club, Inc. v. Champions Golf Club,
78 F.3d 1111 (6th Cir. 1996) 27

Clicks Billiards, Inc. v. Sixshooters, Inc.,
251 F.3d 1252 (9th Cir. 2001) 20, 26, 29

Dippin' Dots, Inc. v. Frosty Bites Distrib., LLC,
363 F.3d 1197 (11th Cir. 2004) 24

Cited Authorities

Page

Duraco Prods., Inc. v. Joy Plastic Enters., Ltd.,
40 F.3d 1431 (3d Cir. 1994) 26

Eppendorf-Netheler-Hinz GMBH v. Ritter GMBH,
289 F.3d 351 (5th Cir. 2002) 21

Ferrari S.P.A. Esercizio Fabriche Automobili E Corse v. Roberts,
944 F.2d 1235 (6th Cir. 1991) 22

Fuddruckers, Inc. v. Doc's B.R. Others, Inc.,
826 F.2d 837 (9th Cir. 1987) 14, 26

Fuji Photo Film Co. v. Shinohara Shoji Kabushiki Kaisha,
754 F.2d 591 (5th Cir. 1985) 27

Home Builders Ass'n v. L&L Exhibition Mgmt.,
226 F.3d 944 (8th Cir. 2000) 23

Inwood Labs., Inc. v. Ives Labs., Inc.,
456 U.S. 844 (1982) 18

JMG Thomas & Betts Corp. v. Panduit Corp.,
65 F.3d 654 (7th Cir. 1995) 26

Keene Corp. v. Paraflex Indus., Inc.,
653 F.2d 822 (3d Cir. 1981) 21

Knitwaves, Inc. v. Lollytogs Ltd.,
71 F.3d 996 (2d Cir. 1995) 20-21

Cited Authorities

	Page
Larsen v. Terk Techs. Corp., 151 F.3d 140 (4th Cir. 1998)	26
Morton-Norwich Products, Inc. v. S.C. Johnson & Son, Inc., 531 F.2d 561 (C.C.P.A. 1976)	24
Pagliero v. Wallace China Co., 198 F.2d 339 (9th Cir. 1952)	18, 19, 20
Pebble Beach Co. v. Tour 18 I Ltd., 155 F.3d 526 (5th Cir. 1998)	21
Publications Int'l, Ltd. v. Landoll, Inc., 164 F.3d 337 (7th Cir. 1998)	22
Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159 (1995)	18, 19, 22, 23, 24
Standard Terry Mills, Inc. v. Shen Mfg. Co., 803 F.2d 778 (3d Cir. 1986)	21
Telecom, Inc. v. Japan Telecom America, Inc., 287 F.3d 866 (9th Cir. 2002)	28
TrafFix Devices, Inc. v. Marketing Displays, Inc., 532 U.S. 23 (2001)	18, 19, 20, 22, 24
Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763 (1992)	20
Union Carbide, Inc. v. Ever-Ready, Inc., 531 F.2d 366 (7th Cir. 1976)	27

Cited Authorities

Page

Valu Engineering, Inc. v. Rexnord Corp.,
278 F.3d 1268 (Fed Cir. 2002) 24

Vision Sports, Inc. v. Melville Corp.,
888 F.2d 609 (9th Cir. 1989) 25

Wallace Int'l Silversmiths v. Godinger Silver Art Co.,
916 F.2d 76 (2d Cir. 1990) 20

Wal-Mart Stores, Inc. v. Samara Bros., Inc.,
529 U.S. 205 (2000) 19

Statutes

15 U.S.C. § 1125(a)(3) ..... *passim*

28 U.S.C. § 1254(1) 3

Treatises

J. Thomas McCarthy,
McCarthy on Trademarks and Unfair Competition
(4th ed. 2004) ..... *passim*

Restatement (Third) of Unfair Competition (1995)
..... 19

Restatement of Torts (1938) 18, 19, 25

TABLE OF APPENDICES

Page

Appendix A — Opinion Of The United States Court Of Appeals For The Federal Circuit Decided March 8, 2005 ..... 1a

Appendix B — Memorandum Of Opinion And Order Of The United States District Court For The Eastern District Of California Dated September 19, 2003 ..... 14a

Appendix C — Memorandum Of Opinion And Order Of The United States District Court For The Eastern District Of California Filed September 3, 2002 ... 49a

Appendix D — Order Of The United States Court Of Appeals For The Federal Circuit Denying Petition For Rehearing Dated And Filed June 3, 2005 ... 72a

Appendix E — Photos And Drawing 74a

INTRODUCTION

This case involves an already common and still burgeoning practice in the new global economy: a competitor deliberately copies aesthetic product and packaging features from an established product that is made in the United States, manufactures something similar more cheaply abroad, and then sells it domestically in competition with the original. As the widely diverging decisions by the courts below in this and similar cases show, the standards governing this growing practice in interstate and foreign commerce are in disarray—leaving competitors and courts with conflicting and obscure directions as to what competitors can and cannot copy to attract consumers.

Here, respondent Home Depot U.S.A., Inc. ("Home Depot") had been selling petitioner Decorations for Generations, Inc.'s ("DFG") pipe-style Christmas tree stand since 1992, and knew from its own experience DFG's established pattern of sales success and customer satisfaction. In 1999, Home Depot had its own pipe stand manufactured in China—copying a sample of DFG's stand and packaging. Like other pipe stands on the market at the time, Home Depot's was functionally equivalent to DFG's. Unlike the others, however, Home Depot's also had a similar combination of *aesthetic* features, including the exact same custom shade of green, the same precise dimensions, and the same red one-half inch decorative ring around the top of the pipe. Like DFG's, it was packaged in an open-topped notched white display box decorated with a stylized holly berry motif. Further, even though Home Depot had a "whole wall full" of house brands it could have used to distinguish its pipe stands from DFG's, Home Depot sold its without any brand or company name whatsoever. Despite paying far less for their imported stand and having lower standards for quality, Home Depot sold the two stands *side-by-side, for the same price, under the same price card*, and even used the same Stock Keeping Unit ("SKU") number for both. Home Depot sold its stand almost exclusively in the sales regions where it had sold DFG's.

DFG sued Home Depot, its trading company, respondent International Business Corporation ("IBC"); and the Chinese manufacturer of the stands, respondent Mutual Allied, Ltd., ("MA"), for trade dress infringement under Lanham Act Section 43(a) and other claims. DFG did not contend at trial that competitors could not make pipe stands. To the contrary, competitors' ability to make functionally equivalent pipe stands with distinctive seasonal product and packaging designs was the centerpiece of DFG's proof that DFG's *particular* combination of product and packaging features ("Composite Dress") was non-functional. DFG sought to establish secondary meaning in part by proving that Home Depot had deliberately copied this non-functional Composite Dress because Home Depot knew *from its own experience* that it was recognized by consumers.

Both the Ninth Circuit Model Civil Jury Instructions ("NCMCJI") and District Court Chief Judge David F. Levi's thorough and detailed opinion upholding the jury's verdict of trade dress infringement carefully and repeatedly distinguished between protectable non-functional trade dress and non-protectable functional features. The district court ruled that evidence of respondents' intentional copyi. ₂ of DFG's protectable trade dress supported the jury's verdict of secondary meaning, as did the duration and exclusivity of DFG's use of its trade dress, and the confusion of Home Depot's own employees and other retailers about the source of respondents' stand.

The Court of Appeals' opinion reversing the district court's decision swept aside the distinction between functional features and non-functional trade dress by finding as a matter of law that *all* of the product and packaging features respondents copied were "utilitarian in nature," regardless of whether they had any bearing on the stand's utilitarian purpose of holding up a tree or not. Therefore, the Court of Appeals held that these aesthetic features were open to intentional copying, and such copying by respondents could not support the jury's verdict. The court also held that retailers' source confusion could not support the jury's secondary meaning determination as a matter of law.